

Week 17, 2019

## Tea Market Report 22 – 26 April 2019

The smallest auction of 2019 so far in Mombasa attracted very strong demand. In contrast to the previous auctions, it was a real sellers' market where all grades on offer were appreciated. The trigger for this strong demand is likely caused by the sharp drop in the closing of week 19, 125K pkgs. Sale 20 has closed at 115K pkgs which is almost a difference of 50K compared to next week's auction. This all combined with the previous unusual dry weather. Finally, the long-expected rains have arrived EoR and selected parts of WoR, providing the bushes the much-needed fuel to recover from the very dry and warm period.

In Malawi, there was a very good demand for the well-made PF1's resulting in a good absorption rate for the 5,800 pkgs on offer. The weather is still hot during the day, reaching up to 35degrees C and some good rains reported in the main growing areas of Mulanje and Thyolo. Much more rain is expected in the coming days as a result of the tropical cyclone Kenneth which unfortunately hit Mozambique again. Luckily for the people of Malawi, it's not expected to have more impact.

Our thoughts remain with our friends, colleagues and the people of Sri Lanka after the terrible attacks on Easter Day and under the ongoing daily alerts. Following a threat, Tuesday's auction in Colombo was stopped mid-way and the remaining catalogues were sold the following day. Despite the tensions, there was a healthy participation of exporters at this week's auction. All planting regions reported bright mornings and evening showers, bringing an end to the hot and dry spell. Next week there will be again a very large volume to be sold, a total of 7.3m kg.

In Southern India, there was less demand for CTC varieties but a fair interest for the Orthodox types. The weather is sunny and dry where the producers are patiently waiting on the arrival of the monsoon which will be the beginning of the new season. In Jakarta there were more absentees this week due to outstanding payment issues. Even though market was easier for mainly Java main grades, brokers kept asking their high limit. There was less demand for 9,440 packages with 24% remaining unsold. Generally, Java and Sumatra Orthodox / CTC were selling steady to easier except for selected Java Orthodox BOPF/PF.

In Vietnam it's getting warmer and the main plucking season is slowly starting. There is a good demand for orthodox leafy types while the green tea market remains very active.

*"A sick thought can devour the body's flesh more than fever or consumption."* – Guy de Maupassant

### Crop figures (in m.kg)

	March19	March18	Jan-Mch19	Jan-Mch18
Malawi	6.4	7.7	21.2	20.8
	Feb 19	Feb 18	Jan-Feb19	Jan-Feb18
India	14.7	13.5	28.7	31.2
Kenya	31.4	27.9	79.8	68.9

### Upcoming auction quantities (pkgs)

	Week 18	Week 19	Week 20
Mombasa	163,475	125,011	115,119
Blantyre	6,220	5,440	N/A
Colombo	7.30m kg	6.59m kg	N/A
Jakarta	10,000	9,260	N/A
Kolkata	106,158	83,004	N/A
Guwahati	109,391	109,066	N/A

### KENYA

**Auction** – Strong demand. Best BP1 firm to 15cts dearer, below best up to 18cts up, good medium 10 to 22cts up, medium 8 to 20cts up, plainer 4 to 16cts up. Best PF1's up to 20cts up, below best up to 16cts up, good medium 8 to 12cts up, medium up to 20cts up, plainer 4 to 30cts up and more for selected best. Best PD's up to 40cts up, below best 6 to 30cts up, good medium up to 54cts up, medium 20 to 35cts up, plainer 10 to 15cts up. Best D1's up to 26cts up, below best 6 to 20cts up, good medium up to 18cts up, medium up to 26cts up, plainer 8 to 26cts up.

**Demand** – Increased demand from Kazak and Sudan operators. Pakistan and Yemen showed a firm interest, as well as the Afghan buyers. Egypt showed a fair interest.

**Weather** – Finally, some rains reported over the Easter period in the EoR and selected parts of WoR. Although the effect of this will only be reflected after 3-4 weeks. Crop intake still remains low in all regions with reduced plucking cycles.

### MALAWI

**Auction** – Good demand. BP1 very good demand at dearer rates. PF1 Sc very good demand at firm to dearer rates. All lots on offer were sold. PF1 Seedling well-made types met good demand at steady to a cent dearer. Poor descriptions and non-certified gardens were neglected. PFs none on offer. PDs well-made descriptions met good demand at last week's levels. Plainer and poor leaf descriptions were neglected. D1s strong demand at up to 7-9cts dearer. Offgrade fngs well-made lots sold in the room at up to 3cts dearer rates. Poorer descriptions were taken out, some under bid. Offgrade dust good

demand at up to 11cts dearer rates.

Weather – Mulanje – Sunny and hot during the day with temperatures ranging from 25-35 degrees Celsius, warm during the night with temperatures rising to 15-21. Some light rains/local heavy rainfall was recorded on Thursday and Friday between 2-30mm. Thyolo – Sunny and hot during the day. Temperatures ranged from 26-33 degrees Celsius. Night temperatures were warmer compared to the previous week. Some light rainfall which was locally heavy was reported on Wednesday.

#### **SRI LANKA**

Auction – HG – good demand. Western BOP overall 3-5cts dearer. Western BOPF overall 3-5cts lower. N.Eliya BOP/BOPF overall 10-20cts lower. Uva/ Udupussellewa BOP/BOPF overall 10cts lower. LG – OP1 select best lower 15cts, best firm, below best lower 5cts, bottom firm. BOP1 select best lower 15cts, best firm, below best dearer 5cts, bottom dearer 5cts. OP select best lower 10cts, best lower 5cts, below best lower firm, bottom firm. OPA select best steady to 5cts lower, best lower 5-10cts, below best firm, bottom firm. PEKOE 1 select best lower 10cts, best lower 10cts, below best lower 15cts, bottom firm. PEKOE select best lower 10cts, best lower 10cts, below best lower 10cts, bottom firm. FBOP select best & best 10-20cts dearer, below best 10cts dearer, bottom 5-10cts dearer. FF1 best & below best dearer 10-20cts, bottom by 5-10cts. FF best firm, below best dearer 10-20cts, bottom firm 10cts up. BOP all-round firm market. BOPF best lower firm, below best & bottom 5cts dearer. Tippiess/Specials all-round 20-30cts dearer.

Demand – Turkey and Syria were less active this week. Iran showed a moderate interest where Saudi Arabia and Iraq were active. Dubai, Libya and Hong Kong had a fair demand and Russia was a bit slow on its demand.

Weather – Western/Nuwara Eliya regions – bright mornings & moderate evening showers throughout the week.

Uva/Udupussellawa dry mornings with heavy evening shower's reported during last week. Low Growns – Ruhunu & Sabaragamuwa regions reported bright mornings & heavy evening showers throughout the week. All planting regions are likely to experience heavy afternoon showers in the week ahead.

#### **INDONESIA**

Auction – Java Orthodox – less demand. BOP1 withdrawn. BOP neglected. BOPF firm to 3cts dearer. PF firm to 4cts dearer. Dust steady to 8cts easier. BT steady to 5cts easier. West Sumatra – less demand. BOP firm to 4cts dearer. BOPF steady 2cts easier. PF steady to 2cts easier. Dust steady to 2cts easier. BT neglected. Java CTC – improved demand. BP1 West firm, East firm. PF1 West steady to 6cts dearer, East neglected. PD West steady to 2cts easier, East steady to 3cts easier. D1 West steady to 4cts easier, East firm. Fngs West steady to 4cts easier, East firm.

Weather – Java – Very bright and sunny during the morning hours then cloudy with isolated thunderstorm with regular showers in the afternoon/night. Sumatra – regular showers have been reported with overall lower precipitation levels in the west/north/south part.

#### **INDIA**

##### **Kolkata**

Auction – CTC – Good general demand for Assam CTC descriptions. Bright liquoring brokens were barely steady, where plainer types were up to 5cts easier. Select best fannings were up to 10cts easier, whilst the other were up to 15cts easier. Dooars and bought leaf descriptions were barely steady. 72% sold. Orthodox – Demand continued strong and unabated. Clean whole leaf descriptions were up to 10cts dearer, whilst bolder varieties were up to 20cts dearer. Flowery brokens were fully firm, whilst the smaller sorts were the strongest feature with GFBOPs up to 15cts dearer and GBOPs up to 10cts dearer. A total percentage of 95% is sold.

##### **Guwahati**

Auction – CTC – Good demand for best and good Assams. Mediums and better medium sold at barely steady rates.

##### **Coonoor**

Auction – CTC leaf – Fair demand. Best liquoring teas irregular and facing fair withdrawals, good sorts were easier by 2-3cts, with some withdrawals witnessed. Medium types generally steady while the plainers dearer up to 2cts. Orthodox leaf – Good demand. Whole leaf grades steady to dearer, brokens steady tending easier, fannings steady. CTC dust – Reduced demand. Best liquoring teas easier with fair withdrawals, good sorts steady to occasionally easier, mediums easier 2-3cts. Plainer category steady to dearer up to 2cts. Orthodox dust – Fair demand. Primary BOPD's steady to easier, remainder steady to irregular. Secondary teas easier and facing fair withdrawals.

##### **Cochin**

Auction – Orthodox leaf – Good demand. Select best Nilgiri teas eased in value in line with quality. Medium whole leaf and primary clean brokens around last, remainder lower with fair withdrawals, fannings lower. CTC – Fair demand. All varieties lower. Dust – Fair demand. Good and popular marks lower by 2-3cts with select few teas selling around last. Medium teas irregular and tending lower. Well-made plainer steady, others easier.

##### **Coimbatore**

Auction – CTC leaf – Fair demand. Good liquoring brokens barely steady. Fanning types firm. Medium types easier by 1-2cts. Plainer teas tending lower with quality. Orthodox leaf – Good demand. Select Nilgiri teas firm remainder irregular. CTC dust – Fair demand. High priced popular teas sold at irregularly easier levels. Medium teas with liquoring merits firm. Remainder lower with quality. Plainer types fully firm.

*All price movements quoted in USD per kilo.*

To read previous issues, please see our website: [www.vanrees.com](http://www.vanrees.com). Please follow us on LinkedIn: [Van Rees Group](#)